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March 15, 1995

**EX PARTE**

Mr. William F. Caton  
Acting Secretary  
Federal Communications Commission  
1919 M Street, NW, Room 222  
Washington, DC 20554

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**FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF SECRETARY**

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RE: PR Docket No. 94-105; Petition of the People of the State of California  
and the Public Utilities Commission of the State of California to Retain  
Regulatory Authority Over Intrastate Cellular Service Rates

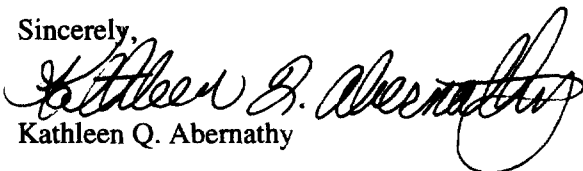
Dear Mr. Caton:

Attached, on behalf of AirTouch Communications, is additional information to supplement the record in PR Docket No. 94-105. This information updates much of the data already submitted. Copies have been provided to Regina Keeney, Dan Phythyon, Michael Wack, Stan Wiggins, and John Cimko of the Wireless Bureau, and James Olson, Jerry Duvall and Doron Furtig of the Competition Division. Please associate this material with the above-referenced proceeding.

Two copies of this notice are being submitted to the Secretary in accordance with Section 1.1206(a)(1) of the Commission's Rules.

Please stamp and return the provided copy to confirm your receipt. Please contact me at 202-293-4955 should you have any questions or require additional information concerning this matter.

Sincerely,

  
Kathleen Q. Abernathy

Attachments

cc: Ruth Milkman  
Rudy Baca  
Lisa Smith  
David Siddall

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**AirTouch Cellular Pricing Plans**

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF SECRETARY

Overview of AirTouch's Policy

Attached, on behalf of AirTouch Communications, is an updated version of the Appendix J data for the LA, San Diego and Sacramento markets. The data is complete through 1994. In addition, we are providing data regarding AirTouch promotional offerings for 1994 since promotions are the primary and most effective vehicle used today to reduce customer rates and they can not be incorporated into the Appendix J format. For example, in LA alone approximately 20 different promotions were offered in 1994 with discounts ranging up to 23%. Therefore, today, customers have a choice of month-to-month plans and contract plans which provide deeper discounts than their monthly counterparts. Discounts are available to everyone including individual customers, customers with multiple numbers, and customers on affinity plans. Discounts are heavily determined by the expected reduction in customer churn. Thus, a customer who makes a commitment to stay with AirTouch for one or two years will receive the greatest discount.

Recent Trend in Los Angeles

In 1993, as a result of the CPUC providing additional pricing flexibility and the commercial launch of Nextel, AirTouch began the introduction of a series of heavily discounted service plans targeted for specific segments:

- individual consumers (Super-Value Plans);
- large accounts (Corporate/Volume Purchaser Contract Plans);
- government accounts (Government Contract Plans).

Since the middle of 1993, 18 new discounted service plans with one or two year contracts have been introduced in Los Angeles. In 1994, AirTouch introduced its lowest priced service plan, the Super-Value 20 starter plan which includes 20 minutes of airtime. As a result of a lengthy introductory promotion (available for 107 days), the effective price in 1994 was \$29.99 or a reduction of 14% over the tariffed rate of \$34.99. Similarly, through an introductory promotion (available for 95 days) AirTouch introduced a Super-Value 1000 plan which had an effective price of \$359.99 or approximately \$80 (18%) less than the non-discounted tariffed rate. These last two plans complete AirTouch's mix of access and airtime package plans for consumers. In addition, the two-year Super-Value plans were introduced with a promotion lasting 175 days which discounted monthly access by \$20 per month (total value of \$240 or a 4 to 14% reduction depending upon the Super-Value plan) through the end of 1994.

Currently, AirTouch has three low cost entry plans for consumers, the Super-Value 20 Plan (includes 20 minutes), the After Hours Value Plan (includes 50 off-peak minutes) and the Personal Plan, each of which provide monthly access for \$10-20 less than the original Basic Plan. As of the end of 1994, only 17% of Los Angeles customers were on the Basic Plan and more than 50% were on one of the three low cost entry plans.

### Promotional Programs in Los Angeles

In addition to the introduction of new optional service plans, in 1994 AirTouch relied primarily on promotions to reduce rates for customers. As stated above, approximately 20 different promotions were offered in 1994 with discounts ranging up to 23% depending upon a customer's service plan and amount of airtime. The promotions ran for as long as 175 days. The use of promotions to lower rates to customers is not reflected in the Appendix J format because the Appendix focuses solely on tariffed service plans.

Promotions typically consist of either the waiver of tariffed charges, discounts of tariff charges or free airtime, such as the following:

- waiver of service establishment charge (typically \$50);
- discount of monthly access (e.g., \$5-20 per month);
- credit on total service costs (e.g., \$100-175 on contract plans);
- free airtime minutes.

In 1994, AirTouch increased the number of promotions, as well as the duration of those programs in Los Angeles.

<u>Type of Promotion</u>	<u>No. of Promotions</u>	
	<u>1993</u>	<u>1994</u>
- Waiver of Service Establishment	4	9
- Credit on service	2	9
- Free airtime	2	2

In the case of the Super-Value Plans and the Corporate/Volume Purchaser Plans, service establishment rates were waived for approximately 167 days and 132 days, respectively. For former customers who reactivated service with AirTouch, the initial service establishment charge was waived for 110 days. Service establishment charges were waived for at least 36 days for all service plans.

Credits of \$100 or more per cellular phone number were available for over 300 days in 1994 for those customers signing up on either of the Super-Value Plans or for the Corporate/Volume Purchaser Plans. Free airtime offers were also available for 50 days during 1994 for signing up for these contract plans, as well as any of the government contract plans.

**Appendix J**  
**Updated for 1994**

**Rate Plan and Customer Data**

**Los Angeles MSA**

**Los Angeles SMSA LP**

	Number of Customers		Total	Growth Rate	
	Retail	Wholesale		Retail	Wholesale
1989					
1990				24%	21%
1991				50%	-24%
1992				34%	15%
1993				43%	12%
1994				52%	40%

**Basic**

	Number of Customers		Percentage of	
	Retail	Wholesale	Total Customers	
1989				
1990			74%	89%
1991			66%	78%
1992			60%	73%
1993			38%	47%
1994			17%	18%

<b>Free Min. Rates</b>	0	<b>Termination Fee \$0.00</b>		
		<b>Retail Peak</b>	<b>Off-Peak</b>	<b>Access</b>
		\$0.450	\$0.270	\$45.00
<b>\$/MOU</b>				
		60	120	480
1989		1.164	0.789	0.508
1990		1.164	0.789	0.508
1991		1.164	0.789	0.508
1992		1.164	0.789	0.508
1993		1.164	0.789	0.508
1994		1.164	0.789	0.508

**Personal Communications Plan**

	Number of Customers		Percentage of	
	Retail	Wholesale	Total Customers	
1989				
1990				
1991				
1992				
1993				
1994				

<b>Free Min. Rates</b>	0	<b>Termination Fee \$0.00</b>		
		<b>Retail Peak</b>	<b>Off-Peak</b>	<b>Access</b>
		\$0.900	\$0.200	\$25.00
<b>\$/MOU</b>				
		60	120	480
1989		1.177	0.968	0.812
1990		1.177	0.968	0.812
1991		1.177	0.968	0.812
1992		1.177	0.968	0.812
1993		1.177	0.968	0.812
1994		1.177	0.968	0.812

**Appendix J**  
**Updated for 1994**

**Rate Plan and Customer Data**

Los Angeles MSA

Los Angeles SMSA LP

Premium Svc. Plan

		Number Customers		Percentage of Total Customers
		Retail	Wholesale	
	1990			
	1991			
	1992			
	1993			
	1994			
Free Min. Rates	550	Termination Fee Retail Peak \$0.450	\$0.00 Off-Peak \$0.270	Access \$239.00
\$/MOU		60	120	480
	1989			
	1990	3.983	1.992	0.498
	1991	3.983	1.992	0.498
	1992	3.983	1.992	0.498
	1993	3.983	1.992	0.498
	1994	3.983	1.992	0.498
Corp./Vol. 1 yr. contract		Number of Customers		Percentage of Total Customers
		Retail	Wholesale	3 yrs cont
	1990			
	1991			
	1992			
	1993			
	1994			
1-24 users Free Min. Rates	0	Termination Fee Retail Peak \$0.450	\$150.00 Off-Peak \$0.270	Access \$45.00
\$/MOU		60	120	480
	1990	1.164	0.789	0.508
	1991	1.164	0.789	0.508
	1992	1.164	0.789	0.508
	1993	1.164	0.789	0.508
	1994	1.164	0.789	0.508
50-99 users Free Min. Rates	0	Termination Fee Retail Peak \$0.371	\$150.00 Off-Peak \$0.223	Access \$35.00
\$/MOU		60	120	480
	1990	1.089	0.714	0.464
	1991	1.089	0.714	0.464
	1992	1.089	0.714	0.464
	1993	0.925	0.633	0.414
	1994	0.925	0.633	0.414

**Appendix J**  
**Updated for 1994**

**Rate Plan and Customer Data**

Los Angeles MSA

Los Angeles SMSA LP

Super Val. - 80

1 yr. contract

Number Customers  
Retail Wholesale

Percentage of  
Total Customers

1992  
1993  
1994

Free Min. 80  
Rates

Termination Fee \$150.00

Retail  
Peak Off-Peak Access  
\$0.410 \$0.240 \$69.99

\$/MOU

60 120 480

1992  
1993  
1994

1.167 0.709 0.459  
1.167 0.709 0.459

Super Val. - 170

1 yr. contract

Number of Customers  
Retail Wholesale

Percentage of  
Total Customers

1992  
1993  
1994

Free Min. 170  
Rates

Termination Fee \$150.00

Retail  
Peak Off-Peak Access  
\$0.390 \$0.230 \$99.99

\$/MOU

60 120 480

1992  
1993  
1994

1.667 0.833 0.440  
1.667 0.833 0.440

Super Val. - 475

Number of Customers  
Retail Wholesale

Percentage of  
Total Customers

1992  
1993  
1994

Free Min. 475  
Rates

Termination Fee \$150.00

Retail  
Peak Off-Peak Access  
\$0.380 \$0.210 \$199.99

\$/MOU

60 120 480

1992  
1993  
1994

3.333 1.667 0.420  
3.333 1.667 0.420

**Appendix J**  
**Updated for 1994**

**Rate Plan and Customer Data**

Los Angeles MSA

Los Angeles SMSA LP

Super-Value - 1,000

		Number Customers		Percentage of Total Customers
		Retail	Wholesale	
	1994			
Free Min. Rates	1,000	Termination Fee Retail Peak \$0.36	\$150.00 Off-Peak \$0.20	Access \$359.99

Super-Value Starter Plan

		Number of Customers		Percentage of Total Customers
		Retail	Wholesale	
	1994			
Free Min. Rates	20	Termination Fee Retail Peak \$0.790	\$150.00 Off-Peak \$0.260	Access \$29.99

**Appendix J**  
**Updated for 1994**

**Rate Plan and Customer Data**

**San Diego MSA**

**AirTouch Cellular**

	Number of Customers			Growth Rate	
	Retail	Wholesale	Total	Retail	Wholesale
1989					
1990				35%	62%
1991				38%	-17%
1992				33%	2%
1993				38%	4%
1994				47%	-8%

**Basic**

	Number of Customers		
	Retail	Wholesale	Percentage of Total Customers
1989			
1990			79%
1991			65%
1992			64%
1993			43%
1994			22%

Free Min. Rates	0	Termination Fee	\$0.00
		Retail Peak	Off-Peak Access
		\$0.400	\$0.200 \$35.00

\$/MOU	60	120	480
1989	0.943	0.652	0.433
1990	0.943	0.652	0.433
1991	0.943	0.652	0.433
1992	0.943	0.652	0.433
1993	0.943	0.652	0.433
1994	0.943	0.652	0.433

**Personal Plan**

	Number of Customers		
	Retail	Wholesale	Percentage of Total Customers
1989			
1990			
1991			
1992			
1993			
1994			

Free Min. Rates	0	Termination Fee	\$0.00
		Retail Peak	Off-Peak Access
		\$0.900	\$0.200 \$25.00

\$/MOU	60	120	480
1989	0.963	0.796	0.672
1990	0.963	0.796	0.672
1991	0.963	0.796	0.672
1992	0.963	0.796	0.672
1993	0.963	0.796	0.672
1994	0.963	0.796	0.672

\* Customer numbers are for Executive Plan and VIP Service Plan combined.



San Diego - Continued

Executive Plan\*

		Number of Customers		Percentage of Total Customers
		Retail	Wholesale	
	1989			
	1990			
	1991			
	1992			
	1993			
	1994			
Free Min. Rates	200	Termination Fee Retail Peak \$0.400	\$0.00 Off-Peak \$0.200	Access \$99.00
\$/MOU		60	120	480
	1989	1.650	0.825	0.416
	1990	1.650	0.825	0.416
	1991	1.650	0.825	0.416
	1992	1.650	0.825	0.416
	1993	1.650	0.825	0.416
	1994	1.650	0.825	0.416

Annual Plans  
1 Year Contract

Aggregate Plans

		Number of Customers		Percentage of Total Customers
		Retail	Wholesale	
	1993			
	1994			
Free Min. Rates	10 - 420	Termination Fee Retail Peak \$.35-.74	\$125.00 Off-Peak \$.15-.19	Access \$25.95-148.95
\$/MOU		60	120	480
	1993	0.863	0.583	0.349
	1994	0.863	0.583	0.349

\* Customer numbers are for Executive Plan and VIP Service Plan combined.

**Appendix J**  
**Updated for 1994**

**Rate Plan and Customer Data**

**Sacramento MSA**

**Sacramento Valley LP**

	Number of Customers			Growth Rate	
	Retail	Wholesale	Total	Retail	Wholesale
1989					
1990				63%	44%
1991				36%	-22%
1992				41%	-55%
1993				37%	-5%
1994				55%	-7%

**Basic**

	Number of Customers		
	Retail	Wholesale	Percentage of Total Customers
1989			99%
1990			99%
1991			98%
1992			98%
1993			98%
1994			78%

Free Min. Rates	0	Termination Fee	\$0.00
		Retail	
		Peak	Off-Peak
		\$0.250	\$0.150
			Access
			\$20.00

\$/MOU	60	120	480
1989	0.563	0.397	0.272
1990	0.563	0.397	0.272
1991	0.563	0.397	0.272
1992	0.563	0.397	0.272
1993	0.563	0.397	0.272
1994	0.563	0.397	0.272

**Cal Choice 50**

	Number of Customers		
	Retail	Wholesale	Percentage of Total Customers
1994			

Free Min. Rates	50	Termination Fee	\$100.00
		Retail	
		Peak	Off-Peak
		\$0.250	\$0.150
			Access
			\$29.99

\$/MOU	60	120	480
1994	0.568	0.384	0.269

**Appendix J**  
**Updated for 1994**

**Rate Plan and Customer Data**

**RSA 2**

**Modoc RSA Ltd. Partnership**

	Number of Customers		Total	Growth Rate	
	Retail	Wholesale		Retail	Wholesale
1989					
1990					
1991				151%	
1992				42%	
1993				169%	
1994				117%	

**Basic**

	Number of Customers		Percentage of Total Customers
	Retail	Wholesale	
1989			
1990			100%
1991			88%
1992			96%
1993			85%
1994			96%

<b>Free Min. Rates</b>	0	<b>Termination Fee</b>	\$0.00
		<b>Retail Peak</b>	
		\$0.350	<b>Off-Peak</b>
			\$0.250
			<b>Access</b>
			\$30.00

<b>\$/MOU</b>	60	120	480
1989			
1990	0.830	0.580	0.393
1991	0.830	0.580	0.393
1992	0.830	0.580	0.393
1993	0.830	0.580	0.393
1994	0.830	0.580	0.393

**Government Plan**

	Number of Customers		Percentage of Total Customers
	Retail	Wholesale	
1989			
1990			
1991			
1992			
1993			
1994			

<b>Free Min. Rates</b>	0	<b>Termination Fee</b>	\$0.00
		<b>Retail Peak</b>	
		\$0.350	<b>Off-Peak</b>
			\$0.250
			<b>Access</b>
			\$30.00

<b>\$/MOU</b>	60	120	480
1989			
1990	0.830	0.580	0.393
1991	0.830	0.580	0.393
1992	0.830	0.580	0.393
1993	0.830	0.580	0.393
1994	0.830	0.580	0.393

# **AIRTOUCH CELLULAR - LOS ANGELES: 1994 PROMOTION EXAMPLES**

<b>Credit</b>	<b>MO</b>	<b>Plans</b>	<b>Sign-Up</b>	<b>Credit</b>	<b>AL # (s)</b>
<b>Type</b>	<b>\$ Impact</b>		<b>Period</b>	<b>Period</b>	
\$100	\$8.34	Super Value Plans*	1/1/-1/31	12 mos	293
\$81	\$6.75	Premium Plan	1/1/-1/31	12 mos	294
\$25	\$4.17	Corporate Contract	1/17-1/31	6 mos	297
\$100	\$8.34	Corporate Contract	1/17-1/31	12 mos	297
\$25	\$4.17	Corporate Contract	2/26-3/20	6 mos	308
\$50	\$8.34	All Contract Plans	2/26-3/20	6 mos	308
\$100	\$8.34	Super Value Plans*	4/11-5/31	12 mos	333
Svc Est	Svc Est	Any Plan	4/23	1 mos	340
Svc Est	Svc Est	Super Value*/Corporate Contract	5/23-5/31	1 mos	354
\$240	\$10	2 yr Super Value*/2 yr Corporate	6/13-8/15	24 mos	368
Svc Est	Svc Est	1 or 2 yr Super Value*, 1 or 2 yr Corporate, 1 or 2 yr Government	6/17-6/30	1 mos	372
\$100	\$8.34	Corporate (600 #s)	6/23-12/31	12 mos	376
Svc Est	Svc Est	2nd phone, all Contract plans	7/7-10/16	1 mos	384 408,432
Svc Est	Svc Est	All Plans	7/23	1 mos	392
Svc Est	Svc Est	1-2 yr Super Value*	7/26-7/31	1 mos	394
100	\$100	Corporate Contract/Government Contract	8/24-9/15	1 mos	411
Svc Est	Svc Est	All Plans	8/27	1 mos	412
\$60	\$5	Super Value Starter	9/16-12/31	12 mos	429 444
\$15	\$15	All Plans-Reactivation	10/1-10/16	1 mos	433
Svc Est	Svc Est	All Plans	10/6-10/8	1 mos	435
240	\$10	2 yr Super Value	10/14-12/31	24 mos	443 473
Svc Est	Svc Est	All Plans	11/3-11/5	1 mos	452
\$15	\$15	All Plans-Reactivation	11/8-12/31	1 mos	456 466
Svc Est	Svc Est	1-2 yr Super Value*, 1-2 yr Government, 1-2 yr Corporate, Super Value Starter	11/25-11/27	1 mos	468
Svc Est	Svc Est	2nd Phone All Contract Plans**	11/25-12/31	1 mos	469
Svc Est	Svc Est	All Plans	12/1-12/31	1 mos	471 475

\* Except After Hours Super Value

\*\* Except Equip. Warranty w/Personal Plan, Basic Plus, Premium plus, Corporate Plus, any After Hours SuperValue Plans

# **AIRTOUCH CELLULAR - LOS ANGELES: 1994 PROMOTION EXAMPLES**

<b>Credit</b>	<b>MO</b>	<b>Plans</b>	<b>Sign-Up</b>	<b>Credit</b>	<b>AL # (s)</b>
<b>Type</b>	<b>\$ Impact</b>		<b>Period</b>	<b>Period</b>	
\$15	\$15	All Plans-Reactivation	10/1-10/16	1 mos	433
\$25	\$4.17	Corporate Contract	1/17-1/31	6 mos	297
\$25	\$4.17	Corporate Contract	2/26-3/20	6 mos	308
\$60	\$5	Super Value Starter	9/16-12/31	12 mos	429 444
\$81	\$6.75	Premium Plan	1/1/-1/31	12 mos	294
\$50	\$8.34	All Contract Plans	2/26-3/20	6 mos	308
\$100	\$8.34	Super Value Plans*	1/1/-1/31	12 mos	293
\$100	\$8.34	Corporate Contract	1/17-1/31	12 mos	297
\$100	\$8.34	Super Value Plans*	4/11-5/31	12 mos	333
\$100	\$8.34	Corporate (600 Hs)	6/23-12/31	12 mos	376
\$240	\$10	2 yr Super Value*/2 yr Corporate	6/13-8/15	24 mos	368
240	\$10	2 yr Super Value	10/14-12/31	24 mos	443 473
\$15	\$15	All Plans-Reactivation	11/8-12/31	1 mos	456 466
100	\$100	Corporate Contract/Government Contract	8/24-9/15	1 mos	411
Svc Est	Svc Est	All Plans	11/3-11/5	1 mos	452
Svc Est	Svc Est	All Plans	12/1-12/31	1 mos	471
Svc Est	Svc Est	All Contract Plans**	11/25-12/31	1 mos	469
Svc Est	Svc Est	Any Plan	4/23	1 mos	340
Svc Est	Svc Est	Super Value*/Corporate Contract	5/23-5/31	1 mos	354
Svc Est	Svc Est	1 or 2 yr Super Value*, 1 or 2 yr Corporate, 1 or 2 yr Government	6/17-6/30	1 mos	372
Svc Est	Svc Est	2nd phone, all Contract plans	7/7-10/16	1 mos	384 402,432
Svc Est	Svc Est	All Plans	7/23	1 mos	392
Svc Est	Svc Est	1-2 yr Super Value*	7/26-7/31	1 mos	394
Svc Est	Svc Est	All Plans	8/27	1 mos	412
Svc Est	Svc Est	All Plans	10/6-10/8	1 mos	435
Svc Est	Svc Est	1-2 yr Super Value*, 1-2 yr Government, 1-2 yr Corporate, Super Value Starter	11/25-11/27	1 mos	468